



## WI RURAL HOUSING

# NEWSFLASH

### Inside This Issue:

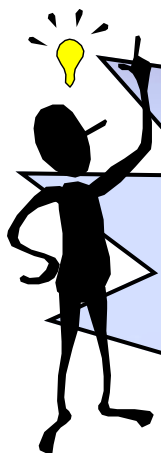
Reservation of Funds	2
Underwriting AN's Issued	2
Loan Servicing AN Issued	2
Frequently Asked Questions	3
GRH Marketing Opportunities	3
USDA Rural Development Local Office Contacts	4

## GRH PROGRAM FUNDING

Our fiscal year to date loan activity indicates that approximately 72% of the funding has been utilized nationally. In Wisconsin, we have obligated \$75.1 million with approximately \$5.6 million in reserved status. Based on current funds utilization

projections, ample GRH funding will be available throughout the remainder of this fiscal year. It is expected that any remaining funds from this fiscal year will be carried over into next year's allocation.

*Ample GRH funding will be available throughout the remainder of this fiscal year.*



### HELPFUL TIP

*GRH Income Documentation Requirement  
EITHER...  
a full VOE & a recent pay stub  
OR  
2 years W2's, 30 days of pay stubs, &  
telephone employment confirmation*

Do you have a question or just want to learn more about the GRH program?

**CONTACT US TODAY!**

USDA Rural Development  
State Office

4949 Kirschling Court  
Stevens Point WI 54481

Phone:  
866-GRH-3600

Fax:  
715-345-7699

E-Mail:  
[RD\\_SFH\\_SO@wi.usda.gov](mailto:RD_SFH_SO@wi.usda.gov)

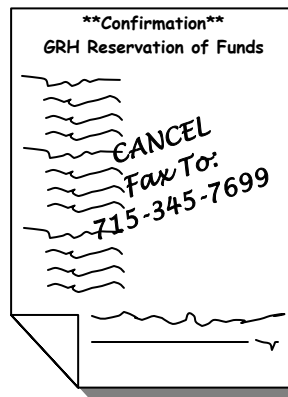
Visit our website at <http://www.rurdev.usda.gov/wi/>  
for complete information on Wisconsin's GRH Loan Program.

"The USDA is an equal opportunity provider and employer."



## RESERVATION OF FUNDS

Please continue to fax your Requests for Reservation of Funds to Rural Development as part of your loan processing so that we can accurately monitor the volume of loans in our pipeline. You will notice that on Confirmation of Funds issued after August 1<sup>st</sup>, the expiration date is the end of our fiscal year, September 30, 2006.



If you have previously reserved funds or received a Conditional Commitment for an application that will not be closing as a GRH loan, please contact Rural Development to cancel the reservation amount so that the funds can be used by another home buyer or carried over into the next fiscal year.

## UNDERWRITING AN's ISSUED

On July 10, 2006, **RD AN 4196, Single Family Housing Guaranteed Loan Program Condominium Requirements**, was issued. This AN clarifies the Agency requirements and underwriting lender responsibilities for determining if a condominium is eligible for financing in the GRH loan program. The AN has three tables that describe the types of condominiums approved or accepted by HUD, Fannie Mae and Freddie Mac. Due to recent changes in Fannie Mae's criteria, 6 condominium types are now eligible. As in the past, the lender's underwriter will be required to provide a certification to the Agency that the condominium has been approved or accepted by HUD, VA, Fannie Mae, or Freddie Mac in order for the property to be eligible for GRH financing.

On July 21, 2006, **RD AN 4199, Single Family Housing Guaranteed Loan Program Section 8 Vouchers**, was issued. This AN explains how Section 8 Homeownership Vouchers can be used to qualify applicants in the GRH loan program. The AN explains the calculations for compliance income, qualifying income, and repayment ratios.

On July 26, 2006, **RD AN 4200, Eligibility of Non-U.S. Citizens** for Single Family Housing Guaranteed Loan Program Assistance and the Systematic Alien Verification for Entitlements (SAVE) Program. This AN revises and replaces RD AN 4149 issued earlier this year. The new SAVE program will allow our Agency staff to obtain online immigration status information to assist lenders in determining a non-citizen applicant's eligibility for program assistance.

## LOAN SERVICING AN ISSUED

On August 5, 2006, **RD AN 4202, Single Family Housing Guaranteed Loan Program Form RD 1980-17, Loan Note Guarantee**, was issued. This AN explains the holding lender's responsibility for retaining the Loan Note Guarantee with the original Promissory Note. It also sets forth the Agency's policy for issuing a duplicate original Loan Note Guarantee in the event the original document was lost.

**Interested in reading more on one of our updated AN's?**

Click [here](#) for the complete AN!

## FREQUENTLY ASKED QUESTIONS

**Q: How do I calculate the loan amount to include the 2% guarantee fee?**

A: Total the amount of the home purchase, any repairs, and closing costs (w/o the guarantee fee) to be financed. Divide the total by .98 to show the loan amount which includes the guarantee fee. Note: The maximum loan amount for a GRH loan can only exceed the appraised value by 2% when financing the guarantee fee.

**Q: When financing a condominium, what certification is needed by the lender?**

A: The lender's underwriter must certify that the condominium has been approved or accepted by HUD, VA, Fannie Mae or Freddie Mac. This certification is typically provided to the Agency as part of the underwriter's loan approval documentation. The lender must retain any documentation supporting this certification in

their file. Refer to RD AN 4196, Single Family Housing Guaranteed Loan Program, Condominium Requirements, for more information.

**Q: Will Rural Development allow a repair escrow at closing for roof replacement during the summer months?**

A: Yes, escrows are allowed for exterior repairs such as roof replacement, painting, etc. The amount escrowed must be at least 1½ times the bid amount that includes all materials and labor to complete the repair. With the proper escrow established at loan closing, we are able to issue the Loan Note Guarantee immediately rather than waiting for the repair to be completed.

**Q: Can a homebuyer use a down payment assistance (DPA) program in conjunction with the GRH loan program?**

A: Typically yes, but check with your investor to be sure. Rural

Development allows the use of DPA programs since they reduce the GRH loan's LTV and result in lower payments for the borrower. These DPA programs are typically provided by non-profit organizations or municipalities to make home ownership more affordable. If you have questions about a specific DPA, feel free to contact our State Office for more information.

*Do you have a GRH question that you need answered and you think might benefit others using the GRH Program?*

Please send your question to [RD.SFH.SO@wi.usda.gov](mailto:RD.SFH.SO@wi.usda.gov) for a quick answer and to have the question included in a future newsletter.



## GRH MARKETING OPPORTUNITIES



Based on your year to date lending activity, we have noticed a number of counties in the state with little or no GRH loans closed during this fiscal year.

With the exception of Milwaukee County, all remaining counties have areas that are eligible with potential to use the GRH loan program. Counties with only 1 GRH loan this year include: Brown, Douglas, Eau Claire, Iron, Kenosha, Vilas, and Washington.

Counties with no GRH loans this year include: Bayfield, Florence, Kewaunee, Menominee, Racine, Waukesha, and Winnebago. While each of these markets has their challenges, there is great opportunity for GRH lenders to expand their business in these areas. These untapped markets have the potential to turn a below average year into a great year! Contact your Local Office or the State Office for assistance with marketing in these areas.

## USDA RURAL DEVELOPMENT LOCAL OFFICE CONTACTS

### ASHLAND OFFICE

Ashland, Bayfield, Iron & Price Counties  
Iris Sanford (Rural Development Manager)  
715-682-9117 Ext. 4  
[RD.Ashland@wi.usda.gov](mailto:RD.Ashland@wi.usda.gov)

### BARRON OFFICE

Barron, Polk & Rusk Counties  
Cora Schultz (Rural Development Manager)  
715-537-5645 Ext. 4  
[RD.Barron@wi.usda.gov](mailto:RD.Barron@wi.usda.gov)

### BLACK RIVER FALLS OFFICE

Buffalo, Eau Claire, Jackson, Monroe & Trempealeau Counties  
Janeen Folgers (Rural Development Manager)  
715-284-4515 Ext. 4  
[RD.BlackRiverFalls@wi.usda.gov](mailto:RD.BlackRiverFalls@wi.usda.gov)

### DODGEVILLE OFFICE

Dane, Grant, Green, Iowa & Lafayette Counties  
Jay Jones (Rural Development Manager)  
608-935-2791 Ext. 4  
[RD.Dodgeville@wi.usda.gov](mailto:RD.Dodgeville@wi.usda.gov)

### ELKHORN OFFICE

Kenosha, Racine, Rock, & Walworth Counties  
Tony Gates (Rural Development Manager)  
262-723-3216 Ext. 4  
[RD.Elkhorn@wi.usda.gov](mailto:RD.Elkhorn@wi.usda.gov)

### FOND DU LAC OFFICE

Calumet, Fond du Lac, Green Lake, Manitowoc, Sheboygan & Winnebago Counties  
Jo Ann Tyree (Rural Development Manager)  
920-907-2976 Ext. 4  
[RD.FondduLac@wi.usda.gov](mailto:RD.FondduLac@wi.usda.gov)

### MENOMONIE OFFICE

Chippewa, Dunn, Pepin, Pierce & St. Croix Counties  
Cora Schultz (Rural Development Manager)  
715-232-2614 Ext. 4  
[RD.Menomonie@wi.usda.gov](mailto:RD.Menomonie@wi.usda.gov)

### PORTAGE OFFICE

Adams, Columbia, Juneau, Marquette & Sauk Counties  
Julie Giese (Rural Development Manager)  
608-742-5361 Ext. 4  
[RD.Portage@wi.usda.gov](mailto:RD.Portage@wi.usda.gov)

### RHINELANDER OFFICE

Florence, Forest, Langlade, Lincoln, Oneida & Vilas Counties  
Dave Schwobe (Area Director)  
715-362-5941 Ext. 4  
[RD.Rhineland@wi.usda.gov](mailto:RD.Rhineland@wi.usda.gov)

### SHAWANO OFFICE

Brown, Door, Kewaunee, Marinette, Menomoninee, Oconto, Outagamie & Shawano Counties  
Donna Huebner (Rural Development Manager)  
715-524-8522 Ext. 4  
[RD.Shawano@wi.usda.gov](mailto:RD.Shawano@wi.usda.gov)

### SPOONER OFFICE

Burnett, Douglas, Sawyer & Washburn Counties  
Ida Moltzen (Rural Development Manager)  
715-635-8228 Ext. 4  
[RD.Spooner@wi.usda.gov](mailto:RD.Spooner@wi.usda.gov)

### STEVENS POINT OFFICE

Clark, Marathon, Portage, Taylor, Waupaca, Waushara & Wood Counties  
Sharon Olson (Rural Development Manager)  
715-346-1313 Ext. 4  
[RD.StevensPoint@wi.usda.gov](mailto:RD.StevensPoint@wi.usda.gov)

### VIROQUA OFFICE

Crawford, La Crosse, Richland & Vernon Counties  
Susan Weber-Johnson (Rural Development Manager)  
608-637-2183 Ext. 4  
[RD.Viroqua@wi.usda.gov](mailto:RD.Viroqua@wi.usda.gov)

### WEST BEND OFFICE

Dodge, Jefferson, Ozaukee, Washington & Waukesha Counties  
Bob Strunz (Rural Development Manager)  
262-335-6850  
[RD.WestBend@wi.usda.gov](mailto:RD.WestBend@wi.usda.gov)

### RURAL DEVELOPMENT STATE OFFICE

ALL Counties  
866-474-3600  
[RD.SFH.SO@wi.usda.gov](mailto:RD.SFH.SO@wi.usda.gov)